USE OF REPORTS
SEEDS

AMS 405

FORECAST REPORTS RATED MOST USEFUL OF ALL SEED REPORTS PUBLISHED BY THE CROP REPORTING BOARD

Last spring the Crop Reporting Board of the U. S. Department of Agriculture asked about 1,400 firms and other recipients of Government seed crop reports to list the order of usefulness of the six kinds of seed reports issued by the Board.

About 41 percent of the nearly 1,000 who replied indicated that the forecast reports are by far the most valuable of the reports. Seed dealers placed a higher value on forecasts than did any other group of respondents. Some dealers indicated that several other reports were of equal value in their business, but in total 47 percent of them placed the harvest time forecasts in first place. The report on supply and disappearance of field seeds issued in January ranked second and the Annual December Summary was third. Next in order of usefulness was the stocks report with 12 percent and the retail price report with 10 percent.

The Department's questionnaire also asked what use is made of the seed reports, and invited suggestions for improving the reports. The dealers' response to this question was good, and indicated a need for more seed statistics. A majority of dealers stated the various reports were helpful in making decisions on purchases, sales, prices, regulating inventories, and discerning trends. Some suggested a breakdown of the total production by varieties; others would like to see the service broadened to include production in foreign countries. Many would like to have earlier forecasts, but others thought some reports were issued too early. An overwhelming number of seedsmen indicated the reports were satisfactory and useful in their business.

Ratings of Other Users also Favor Forecasts

Because of the diverse nature of the business enterprises that receive seed reports, the Department also wanted to know how special enterprises rated the usefulness of the seed reports. For this reason respondents' ratings were tabulated into eight groups as shown in the attached table. The comparisons in the table show that all the users indicated forecast reports are the most useful of the reports. Bankers, agricultural services, farmers and agronomists, and farm advisors--including County agents--place relatively more value on the retail price reports than do the other users of the reports.

Why do Forecasts Lead?

"Because they are the first fair evaluator of seed supplies available from the new crop and help materially in formulating our buying plans," says one seedsman. "They keep us informed on production and location of seed supplies," writes a wholesaler. A producer says they are "used as a guide in buying and selling farm seeds." An extension worker who rates forecasts in first place says they are "useful in making recommendations to growers,

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as forecasts furnish factual data on seed prospects." One of the large chemical companies uses the forecasts for informing salesmen on the outlook for sales. Some bankers say they use forecast information to observe trends in supply and disappearance, and to serve as a guide in making loans to seed companies. While more than 95 percent of the comments were favorable to the seed reports, a small majority of seedsmen raised various objections to forecasts, but still rated the forecasts ahead of the other reports.

Can Forecasts be Made at Earlier Dates?

Several dealers, farmers, and others thought that one way to improve the service would be to make the forecasts earlier. Forecasts could be made earlier but experience indicates that by shifting the date of reporting too far in advance of harvest, unpredictable factors result in considerable variation between the forecast and the quantity harvested. So a choice must be made between an early forecast with many contingencies, and a more dependable forecast made later.

A forecast is a prediction made prior to harvest of the quantity that will be produced. It is usually based on indications of change in acreage and yield per acre for the current year as compared with the previous year. However, seed crops, such as alfalfa have multiple uses--they can be cut for hay, seed, pastured, plowed up for green manure, etc. Except in the cash-crop areas of the West, a decision to harvest seed usually depends on: (1) The available supply of hay from carryover and current crop cuttings, (2) prices of seed in relation to hay, and (3) weather conditions during the growing and harvesting seasons.

When is the Best Time to Make a Forecast?

In order that a forecast will have an acceptable degree of accuracy, reported data for acreage and yield must be close to the final acreage that will eventually be harvested and the yields that will be attained. The optimum time to make inquiry of growers on prospective acreage and yields is close to the average date on which seed harvest begins. This means that some growers will already have harvested part of their crop, others will be starting, and the remainder will expect to start soon. Because of the wide geographic adaptation of some legumes and grasses, the optimum time for the country as a whole is not necessarily the best for individual States--it might be late for the Southern areas and early for the Northern areas.

A forecast based on information given close to the beginning date of harvest is usually serviceably accurate. It indicates the direction and magnitude of change from the previous year. However, because harvest was not completed as of the date the forecast was made, the final acreage, yield, and production may differ somewhat from the forecast. Generally, users of statistics based on forecasts make their own adjustments by adding increments if conditions during later stages of harvest are very favorable, and deducting from the forecast if conditions are unfavorable.

FIRST PLACE RANKING OF THE REPORTS BY SPECIFIED ENTERPRISES 1/

Kind of report	All who replied	Domestic seedsmen	Foreign seedsmen and correspondents	Brokers	Farmers	Agricultural services 2/	Bankers	Agronomists, educators, farm advisors and Government workers	Publishers and librarians
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Forecast	41	47	44	43	40	37	31	31	29
Annual Summary	19	14	20	16	13	16	17	28	25
Supply & Disappearance	13	15	13	13	19	11	11	11	14
Dealers' Stocks June 30	11	12	8	15	7	10	10	9	8
Retail Prices	13	10	10	11	17	21	24	17	15
Certified Seed Potatoes	3	2	5	2	4	5	7	4	9

1/ Based on first choice answers to the Question, "Which Seed Reports are most useful to you?"

2/ Includes companies handling chemicals, fertilizer, machinery, etc.

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